



## COMMENTS: Before the joint committee meeting of the House Agricultural and Transportation Committees.

- Retailers are suffering because motorists don't have money to spend on drinks, snacks, health and beauty products and repairs.
- Motorists and retailers are on the same side of the issue (a transfer of wealth to OPEC, refiners, banks, credit card companies, and entities collecting % taxes on retail gasoline sales)
- Interesting chart depicting annual and recent quarterly profits of refiners. Followed by article from Business Week listing U.S. winners and losers. The winners chart shows 5 of 8 are refiners or banks. When you slot BP into the #2 position and slot RD into the #5 position the results are 7 of 10 top money makers in the 2<sup>nd</sup> quarter of 2005 were refiners or banks.
- Definitions:  
Gouge (N): To charge excessively  
  
Fraud (N): Deceit, trickery, and act of deceiving or misrepresenting  
  
Defraud (V): To deprive by trickery or deception
- There is no competition at the wholesale level. Contractual agreements allow vertically intergraded refiners to manipulate the retail price.
- Vertically intergraded refiners determine the winners and losers, not the marketplace.
- HB 4501 & HB 4502 unfairly penalizes the retailer who makes an honest mistake or is the unwitting victim of someone else's mistakes (mis-delivered product).

I respectfully request your consideration of our stance on these issues and strongly urge you to vote against the adoption of HB 4501 and HB 4502.

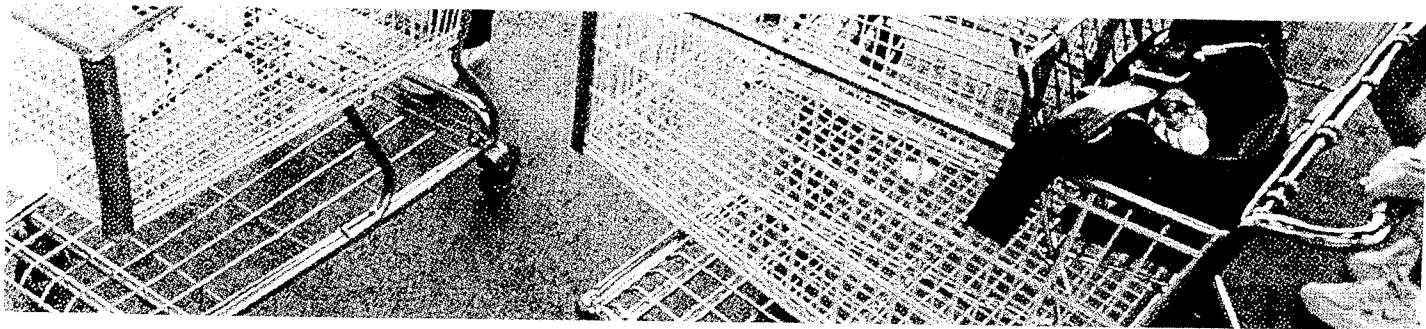
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## MAJOR REFINERS' FINANCIAL RESULTS

<u>Company</u>	<u>2002 Net Profit</u> \$	<u>2003 Net Profit</u> \$	<u>%Change from 2002</u>	<u>2004 Net Profit</u> \$	<u>% Change from 2003</u>	<u>2<sup>nd</sup> Quarter 2004</u>	<u>2<sup>nd</sup> Quarter 2005</u>	<u>% Change from 2004</u>
Tesoro (TSO)	117 M	76.1 M	(35%)	327.9 M	+331%	213 M	184 M	(14%)
BP Amoco (BP)	6.85 B	10.27 B	+50%	15.73 B	+53%	4.82 B	6.66 B	+38%
Conoco-Phillips (COP)	(2.95) B	4.74 B	N.A.	8.13 B	+72%	2.08 B	3.14 B	+51%
Marathon (MRO)	516 M	1.32 B	+156%	1.26 B	(5%)	352 M	673 M	+91%
Exxon-Mobil (XOM)	11.46 B	21.51 B	+88%	25.33 B	+18%	5.79 B	7.64 B	+32%
Chevron-Texaco (CVX)	1.13 B	7.23 B	+540%	13.3 B	+84%	4.13 B	3.68 B	(11%)
Murphy Oil (MUR)	112 M	294 M	+162%	701 M	+138%	350 M	348 M	Even
Shell (RD)	5.56 B	7.5 B	+34%	11.12 B	+48%	2.66 B	4.00 B	+50%



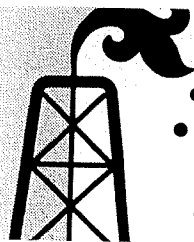
some other key currencies this year—creating resistance that could slow both exports and foreign-earned profits in coming quarters. The dollar “is not going to be a tailwind but a head wind,” says Richard Berner, chief U.S. economist for Morgan Stanley.

In recent quarters, companies have offset the rising dollar with aggressive cost-cutting and by trimming capital spending. Now, some economists believe that, flush with cash and with their factories

running close to full tilt, companies will have to reinvest in new plants and equipment in the second half just to continue meeting demand. If so, that anticipated burst of new business spending could be the best chance companies have at sustaining their streak of double-digit gains in sales. Further top-line growth would also figure to help extend the healthy run for corporate profits.

But there will be plenty of pressures, as well. For example, even as the labor mar-

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## Winners and Losers

Energy and banks keep raking it in, while old-line carriers dominate the second quarter's losers

### WHO MADE THE MOST

Company	Millions of dollars
1 Exxon Mobil	\$7,640
2 Citigroup	4,731
3 General Electric	4,647
4 Bank of America	4,296
5 Microsoft***	3,700
6 Chevron	3,684
7 Pfizer	3,472
8 ConocoPhillips	3,131
9 Altria Group	2,912
10 Johnson & Johnson	2,676
11 Wal-Mart Stores*	2,461
12 Verizon Communications	2,113
13 Intel	2,038
14 Wells Fargo	1,910
15 IBM	1,851

### WHO LOST THE MOST

Company	Millions of dollars
1 UAL	-\$1,430
2 Delta Air Lines	-382
3 Charter Communications	-355
4 Time Warner	-321
5 General Motors	-286
6 Calpine	-278
7 Eli Lilly	-252
8 Northwest Airlines	-217
9 Fairchild Semiconductor Intl.	-205
10 Qwest Communications Intl.	-164
11 Eastman Kodak	-146
12 Micron Technology**	-128
13 Liberty Media	-114
14 Sara Lee***	-109
15 Mattel	-94

\*This of first quarter. \*\*Fiscal third quarter. \*\*\*Fiscal fourth quarter. Data: Standard & Poor's Compustat

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